



General Assembly

January Session, 2019

Committee Bill No. 134

LCO No. 3464



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

**AN ACT OPENING THE STATE EMPLOYEE HEALTH PLAN TO
SMALL BUSINESS EMPLOYEES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 5-259 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2019*):

3 (a) The Comptroller, with the approval of the Attorney General and
4 of the Insurance Commissioner, shall arrange and procure a group
5 hospitalization and medical and surgical insurance plan or plans for
6 (1) state employees, (2) members of the General Assembly who elect
7 coverage under such plan or plans, (3) participants in an alternate
8 retirement program who meet the service requirements of section 5-
9 162 or subsection (a) of section 5-166, (4) anyone receiving benefits
10 under section 5-144 or from any state-sponsored retirement system,
11 except the teachers' retirement system and the municipal employees
12 retirement system, (5) judges of probate and Probate Court employees,
13 (6) the surviving spouse, and any dependent children of a state police
14 officer, a member of an organized local police department, a firefighter
15 or a constable who performs criminal law enforcement duties who dies
16 before, on or after June 26, 2003, as the result of injuries received while

17 acting within the scope of such officer's or firefighter's or constable's
18 employment and not as the result of illness or natural causes, and
19 whose surviving spouse and dependent children are not otherwise
20 eligible for a group hospitalization and medical and surgical insurance
21 plan. Coverage for a dependent child pursuant to this subdivision shall
22 terminate no earlier than the policy anniversary date on or after
23 whichever of the following occurs first, the date on which the child:
24 Becomes covered under a group health plan through the dependent's
25 own employment; or attains the age of twenty-six, (7) employees of the
26 Capital Region Development Authority established by section 32-601,
27 and (8) the surviving spouse and dependent children of any employee
28 of a municipality who dies on or after October 1, 2000, as the result of
29 injuries received while acting within the scope of such employee's
30 employment and not as the result of illness or natural causes, and
31 whose surviving spouse and dependent children are not otherwise
32 eligible for a group hospitalization and medical and surgical insurance
33 plan. For purposes of this subdivision, "employee" means any regular
34 employee or elective officer receiving pay from a municipality,
35 "municipality" means any town, city, borough, school district, taxing
36 district, fire district, district department of health, probate district,
37 housing authority, regional work force development board established
38 under section 31-3k, flood commission or authority established by
39 special act or regional council of governments. For purposes of
40 subdivision (6) of this subsection, "firefighter" means any person who
41 is regularly employed and paid by any municipality for the purpose of
42 performing firefighting duties for a municipality on average of not less
43 than thirty-five hours per week. The minimum benefits to be provided
44 by such plan or plans shall be substantially equal in value to the
45 benefits that each such employee or member of the General Assembly
46 could secure in such plan or plans on an individual basis on the
47 preceding first day of July. The state shall pay for each such employee
48 and each member of the General Assembly covered by such plan or
49 plans the portion of the premium charged for such member's or
50 employee's individual coverage and seventy per cent of the additional

51 cost of the form of coverage and such amount shall be credited to the
52 total premiums owed by such employee or member of the General
53 Assembly for the form of such member's or employee's coverage under
54 such plan or plans. On and after January 1, 1989, the state shall pay for
55 anyone receiving benefits from any such state-sponsored retirement
56 system one hundred per cent of the portion of the premium charged
57 for such member's or employee's individual coverage and one
58 hundred per cent of any additional cost for the form of coverage. The
59 balance of any premiums payable by an individual employee or by a
60 member of the General Assembly for the form of coverage shall be
61 deducted from the payroll by the State Comptroller. The total
62 premiums payable shall be remitted by the Comptroller to the
63 insurance company or companies or nonprofit organization or
64 organizations providing the coverage. The amount of the state's
65 contribution per employee for a health maintenance organization
66 option shall be equal, in terms of dollars and cents, to the largest
67 amount of the contribution per employee paid for any other option
68 that is available to all eligible state employees included in the health
69 benefits plan, but shall not be required to exceed the amount of the
70 health maintenance organization premium.

71 (b) The insurance coverage procured under subsection (a) of this
72 section for active state employees, employees of the Connecticut
73 Institute for Municipal Studies, anyone receiving benefits from any
74 such state-sponsored retirement system and members of the General
75 Assembly, who are over sixty-five years of age, may be modified to
76 reflect benefits available to such employees or members pursuant to
77 Social Security and medical benefits programs administered by the
78 federal government, provided any payments required to secure such
79 benefits administered by the federal government shall be paid by the
80 Comptroller either directly to the employee or members or to the
81 agency of the federal government authorized to collect such payments.

82 (c) On October 1, 1972, the Comptroller shall continue to afford
83 payroll deduction services for employees participating in existing

84 authorized plans covering state employees until such time as the
85 employee elects in writing to be covered by the plan authorized by
86 subsection (a) of this section.

87 (d) Notwithstanding the provisions of subsection (a) of this section,
88 the state shall pay for a member of any such state-sponsored
89 retirement system, or a participant in an alternate retirement program
90 who meets the service requirements of section 5-162 or subsection (a)
91 of section 5-166, and who begins receiving benefits from such system
92 or program on or after November 1, 1989, eighty per cent of the
93 portion of the premium charged for his individual coverage and eighty
94 per cent of any additional cost for his form of coverage. Upon the
95 death of any such member, any surviving spouse of such member who
96 begins receiving benefits from such system shall be eligible for
97 coverage under this section and the state shall pay for any such spouse
98 eighty per cent of the portion of the premium charged for his
99 individual coverage and eighty per cent of any additional cost for his
100 form of coverage.

101 (e) Notwithstanding the provisions of subsection (a) of this section,
102 vending stand operators eligible for membership in the state
103 employees retirement system pursuant to section 5-175a shall be
104 eligible for coverage under the group hospitalization and medical and
105 surgical insurance plans procured under this section, provided the cost
106 for such operators' insurance coverage shall be paid by the Department
107 of Rehabilitation Services from vending machine income pursuant to
108 section 10-303.

109 (f) The Comptroller, with the approval of the Attorney General and
110 of the Insurance Commissioner, shall arrange and procure a group
111 hospitalization and medical and surgical insurance plan or plans for
112 any person who adopts a child from the state foster care system, any
113 person who has been a foster parent for the Department of Children
114 and Families for six months or more, and any dependent of such
115 adoptive parent or foster parent who elects coverage under such plan

116 or plans. The Comptroller may also arrange for inclusion of such
117 person and any such dependent in an existing group hospitalization
118 and medical and surgical insurance plan offered by the state. Any
119 adoptive parent or foster parent and any dependent who elects
120 coverage shall pay one hundred per cent of the premium charged for
121 such coverage directly to the insurer, provided such adoptive parent or
122 foster parent and all such dependents shall be included in such group
123 hospitalization and medical and surgical insurance plan. A person and
124 his dependents electing coverage pursuant to this subsection shall be
125 eligible for such coverage until no longer an adoptive parent or a foster
126 parent. An adoptive parent shall be eligible for such coverage until the
127 coverage anniversary date on or after whichever of the following
128 occurs first, the date on which the child: Becomes covered under a
129 group health plan through the dependent's own employment; or
130 attains the age of twenty-six. As used in this section "dependent"
131 means a spouse or natural or adopted child if such child is wholly or
132 partially dependent for support upon the adoptive parent or foster
133 parent.

134 (g) Notwithstanding the provisions of subsection (a) of this section,
135 the Probate Court Administration Fund established in accordance with
136 section 45a-82, shall pay for each probate judge and each probate court
137 employee not more than one hundred per cent of the portion of the
138 premium charged for the judge's or employee's individual coverage
139 and not more than fifty per cent of any additional cost for the judge's
140 or employee's form of coverage. The remainder of the premium for
141 such coverage shall be paid by the probate judge or probate court
142 employee to the State Treasurer. Payment shall be credited by the State
143 Treasurer to the fund established by section 45a-82. The total
144 premiums payable shall be remitted by the Probate Court
145 Administrator directly to the insurance company or companies or
146 nonprofit organization or organizations providing the coverage. The
147 Probate Court Administrator shall issue regulations governing group
148 hospitalization and medical and surgical insurance pursuant to
149 subsection (b) of section 45a-77.

150 (h) For the purpose of subsection (g) of this section, "probate judge"
151 or "judge" means a duly elected probate judge who works in such
152 judge's capacity as a probate judge at least twenty hours per week, on
153 average, on a quarterly basis and certifies to that fact on forms
154 provided by and filed with the Probate Court Administrator, on or
155 before the fifteenth day of April, July, October and January, for the
156 preceding calendar quarter; and "probate court employee" or
157 "employee" means a person employed by a probate court for at least
158 twenty hours per week.

159 (i) (1) The Comptroller may provide for coverage of employees of
160 municipalities, nonprofit corporations, community action agencies
161 [and small employers] and individuals eligible for a health coverage
162 tax credit, retired members or members of an association for personal
163 care assistants under the plan or plans procured under subsection (a)
164 of this section, provided: [(1)] (A) Participation by each municipality,
165 nonprofit corporation, community action agency, [small employer,]
166 eligible individual, retired member or association for personal care
167 assistants shall be on a voluntary basis; [(2)] (B) where an employee
168 organization represents employees of a municipality, nonprofit
169 corporation [] or community action agency, [or small employer,]
170 participation in a plan or plans to be procured under subsection (a) of
171 this section shall be by mutual agreement of the municipality,
172 nonprofit corporation [] or community action agency [or small
173 employer] and the employee organization only and neither party may
174 submit the issue of participation to binding arbitration except by
175 mutual agreement if such binding arbitration is available; [(3)] (C) no
176 group of employees shall be refused entry into the plan by reason of
177 past or future health care costs or claim experience; [(4)] (D) rates paid
178 by the state for its employees under subsection (a) of this section are
179 not adversely affected by this [subsection] subdivision; [(5)] (E)
180 administrative costs to the plan or plans provided under this
181 [subsection] subdivision shall not be paid by the state; [(6)] (F)
182 participation in the plan or plans in an amount determined by the state
183 shall be for the duration of the period of the plan or plans, or for such

184 other period as mutually agreed by the municipality, nonprofit
185 corporation, community action agency, [small employer,] retired
186 member or association for personal care assistants and the
187 Comptroller; and [(7)] (G) nothing in this section or section 12-202a,
188 38a-551 or 38a-556 shall be construed as requiring a participating
189 insurer or health care center to issue individual policies to individuals
190 eligible for a health coverage tax credit. The coverage provided under
191 this [section] subdivision may be referred to as the "Municipal
192 Employee Health Insurance Plan". The Comptroller may arrange and
193 procure for the employees and eligible individuals under this
194 [subsection] subdivision health benefit plans that vary from the plan or
195 plans procured under subsection (a) of this section. Notwithstanding
196 any provision of part V of chapter 700c, the coverage provided under
197 this [subsection] subdivision may be offered on either a fully
198 underwritten or risk-pooled basis at the discretion of the Comptroller.
199 For the purposes of this [subsection] subdivision, [(A)] (i)
200 "municipality" means any town, city, borough, school district, taxing
201 district, fire district, district department of health, probate district,
202 housing authority, regional work force development board established
203 under section 31-3k, regional emergency telecommunications center,
204 tourism district established under section 32-302, flood commission or
205 authority established by special act, regional council of governments,
206 transit district formed under chapter 103a, or the Children's Center
207 established by number 571 of the public acts of 1969; [(B)] (ii)
208 "nonprofit corporation" means [(i)] (I) a nonprofit corporation
209 organized under 26 USC 501 that is not a small employer and has a
210 contract with the state or receives a portion of its funding from a
211 municipality, the state or the federal government, or [(ii)] (II) an
212 organization that is not a small employer and is tax exempt pursuant
213 to 26 USC 501(c)(5); [(C)] (iii) "community action agency" means a
214 community action agency, as defined in section 17b-885; [(D)] (iv)
215 "small employer" means a small employer, as defined in section 38a-
216 564; [(E)] (v) "eligible individuals" or "individuals eligible for a health
217 coverage tax credit" means individuals who are eligible for the credit

218 for health insurance costs under Section 35 of the Internal Revenue
219 Code of 1986, or any subsequent corresponding internal revenue code
220 of the United States, as from time to time amended, in accordance with
221 the Pension Benefit Guaranty Corporation; [(F)] (vi) "association for
222 personal care assistants" means an organization composed of personal
223 care attendants who are employed by recipients of service [(i)] (I)
224 under the home-care program for the elderly under section 17b-342,
225 [(ii)] (II) under the personal care assistance program under section 17b-
226 605a, [(iii)] (III) in an independent living center pursuant to sections
227 17b-613 to 17b-615, inclusive, or [(iv)] (IV) under the program for
228 individuals with acquired brain injury as described in section 17b-
229 260a; and [(G)] (vii) "retired members" means individuals eligible for a
230 retirement benefit from the Connecticut municipal employees'
231 retirement system.

232 (2) Notwithstanding the provisions of subsection (a) of this section,
233 the Comptroller shall provide for coverage of employees of small
234 employers, and dependents of such employees, under the group
235 hospitalization and medical and surgical insurance plan or plans
236 procured under said subsection, provided: (A) Participation by each
237 small employer and employee shall be on a voluntary basis; (B) where
238 an employee organization represents employees of a small employer,
239 participation in such plan or plans to be procured under said
240 subsection shall be by mutual agreement of the small employer and
241 the employee organization only and neither party may submit the
242 issue of participation to binding arbitration except by mutual
243 agreement if such binding arbitration is available; (C) no group of
244 employees shall be refused entry into such plan or plans by reason of
245 past or future health care costs or claim experience; (D) rates paid by
246 the state for its employees under said subsection are not adversely
247 affected by this subdivision; (E) administrative costs attributable to
248 coverage provided pursuant to this subdivision shall not be paid by
249 the state; and (F) participation in such plan or plans in an amount
250 determined by the state shall be for the duration of the period of such
251 plan or plans, or for such other period as mutually agreed by the small

252 employer and the Comptroller. For the purposes of this subdivision,
253 "small employer" means a small employer, as defined in section 38a-
254 564, and "dependent" means a spouse or dependent child of an
255 employee unless such child has attained the age of twenty-six or is
256 covered under a group health plan through such child's own
257 employer.

258 (j) (1) Notwithstanding any provision of law to the contrary, the
259 existing rights and obligations of state employee organizations and the
260 state employer under current law and contract shall not be impaired
261 by the provisions of this section. (2) Other conditions of entry for any
262 group into the plan or plans procured under subsection (a) of this
263 section shall be determined by the Comptroller upon the
264 recommendation of a coalition committee established pursuant to
265 subsection (f) of section 5-278, except for such conditions referenced in
266 subsection (g) of this section. (3) Additional determinations by the
267 Comptroller on (A) issues generated by any group's actual or
268 contemplated participation in the plan or plans, (B) modifications to
269 the terms and conditions of any group's continued participation, (C)
270 related matters shall be made upon the recommendation of such
271 committee. (4) Notwithstanding any provision of law to the contrary, a
272 municipal employer and an employee organization may upon mutual
273 agreement reopen a collective bargaining agreement for the exclusive
274 purpose of negotiating on the participation by such municipal
275 employer or employee organization in the plan or plans offered under
276 the provisions of this section.

277 (k) The Comptroller shall submit annually to the General Assembly
278 a review of the coverage of: [employees] (1) Employees of
279 municipalities, nonprofit corporations, community action agencies [,
280 small employers under subsection (i) of this section] and eligible
281 individuals under subdivision (1) of subsection (i) of this section
282 beginning February 1, 2004; and (2) employees of small employers
283 under subdivision (2) of said subsection beginning on February 1,
284 2020.

285 (l) (1) Effective July 1, 1996, any deputies or special deputies
286 appointed pursuant to section 6-37 of the general statutes, revision of
287 1958, revised to 1999, or section 6-43, shall be allowed to participate in
288 the plan or plans procured by the Comptroller pursuant to subsection
289 (a) of this section. Such participation shall be voluntary and the
290 participant shall pay the full cost of the coverage under such plan.

291 (2) Effective December 1, 2000, any state marshal shall be allowed to
292 participate in the plan or plans procured by the Comptroller pursuant
293 to subsection (a) of this section. Such participation shall be voluntary
294 and the participant shall pay the full cost of the coverage under such
295 plan.

296 (3) Effective December 1, 2000, any judicial marshal shall be allowed
297 to participate in the plan or plans procured by the Comptroller
298 pursuant to subsection (a) of this section. Such participation shall be
299 voluntary and the participant shall pay the full cost of the coverage
300 under such plan unless and until the judicial marshals participate in
301 the plan or plans procured by the Comptroller under this section
302 through collective bargaining negotiations pursuant to subsection (f) of
303 section 5-278.

304 (m) (1) Notwithstanding any provision of the general statutes, the
305 Comptroller shall begin procedures to convert the group
306 hospitalization and medical and surgical insurance plans set forth in
307 subsection (a) of this section, including any prescription drug plan
308 offered in connection with or in addition to such insurance plans, to
309 self-insured plans, except that any dental plan offered in connection
310 with or in addition to such self-insured plans may be fully insured.

311 (2) The Comptroller may enter into contracts with third-party
312 administrators to provide administrative services only for the self-
313 insured plans set forth in subdivision (1) of this subsection. Any such
314 third-party administrator shall be required under such contract to
315 charge such third-party administrator's lowest available rate for such
316 services.

317 (3) (A) (i) The Comptroller shall offer nonstate public employers the
318 option to purchase prescription drugs for their employees, employees'
319 dependents and retirees under the purchasing authority of the state
320 pursuant to section 1 of public act 09-206, subject to the provisions of
321 subparagraph (E) of this subdivision.

322 (ii) For purposes of this subdivision, "nonstate public employer"
323 means (I) a municipality or other political subdivision of the state,
324 including a board of education, quasi-public agency or public library,
325 as defined in section 11-24a, or (II) the Teachers' Retirement Board.

326 (B) The Comptroller shall establish procedures to determine (i) the
327 eligibility requirements for, (ii) the enrollment procedures for, (iii) the
328 duration of, (iv) requirements regarding payment for, and (v) the
329 procedures for withdrawal from and termination of, the purchasing of
330 prescription drugs for nonstate public employers under subparagraph
331 (A) of this subdivision.

332 (C) The Comptroller may offer to nonstate public employers that
333 choose to purchase prescription drugs pursuant to subparagraph (A)
334 of this subdivision the option to purchase stop loss coverage from an
335 insurer at a rate negotiated by the Comptroller.

336 (D) Two or more nonstate public employers may join together for
337 the purpose of purchasing prescription drugs for their employees,
338 employees' dependents and retirees. Such arrangement shall not
339 constitute a multiple employer welfare arrangement, as defined in
340 Section 3 of the Employee Retirement Income Security Act of 1974, as
341 amended from time to time.

342 (E) (i) The Comptroller shall offer nonstate public employers the
343 option to purchase prescription drugs through the plan set forth in the
344 State Employees' Bargaining Agent Coalition's collective bargaining
345 agreement with the state only if the Health Care Cost Containment
346 Committee, established in accordance with the ratified agreement
347 between the state and said coalition pursuant to subsection (f) of

348 section 5-278, has indicated in writing to the Comptroller that allowing
349 such nonstate public employers such option is consistent with said
350 coalition's collective bargaining agreement.

351 (ii) Such writing shall not be required if the Comptroller establishes
352 a separate prescription drugs purchasing plan for nonstate public
353 employers.

354 (iii) Nonstate public employers that purchase prescription drugs
355 pursuant to this subdivision shall pay the full cost of their own claims
356 and prescription drugs.

357 Sec. 2. Subsection (b) of section 38a-556a of the general statutes is
358 repealed and the following is substituted in lieu thereof (*Effective*
359 *October 1, 2019*):

360 (b) Said association shall, in consultation with the Insurance
361 Commissioner and the Healthcare Advocate, develop, within available
362 appropriations, a web site, telephone number or other method to serve
363 as a clearinghouse for information about individual and small
364 employer health insurance policies and health care plans that are
365 available to consumers in this state, including, but not limited to, the
366 HUSKY Health program, the Municipal Employee Health Insurance
367 Plan set forth in subdivision (1) of subsection (i) of section 5-259, as
368 amended by this act, and any individual or small employer health
369 insurance policies or health care plans an insurer, health care center or
370 other entity chooses to list with the Connecticut Clearinghouse.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	5-259
Sec. 2	<i>October 1, 2019</i>	38a-556a(b)

Statement of Purpose:

To enable small businesses and small business employees to participate in the state employee health plan.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. COHEN, 12th Dist.

S.B. 134